

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

STARRED QUESTION NO:390

ANSWERED ON:23.08.2005

TEA GROWERS

Ajaya Kumar Shri S.;Bellarmin Shri A.V.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the details with regard to the tea leaves processing plants functioning in the country alongwith the facility being provided to these plants by the Government, State-wise;
- (b) whether the small tea growers have been seriously affected due to the steep fall in tea prices in the country, particularly in West Bengal as reported in `Statesman` dated July 25, 2005;
- (c) if so, the details alongwith the action taken by the government to mitigate the sufferings of small tea growers;
- (d) whether the Government proposes to grant subsidy to the small tea growers in the country for growing leaf tea; and
- (e) if so, the details thereof alongwith the action taken in this regard?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH)

(a): There are 1577 tea leaves processing plants, including 14 instant tea factories in the country that are registered with the Tea Board. Facilities being provided include subsidy for acquiring modern processing machinery, packaging and blending machinery and for obtaining quality assurance certificates. State wise breakup of the number of these factories is given in the statement laid on the table of the House.

(b) to (e): A statement is laid on the Table of the House.

Statement referred to in reply to parts (b) to (e) of the Lok Sabha Starred Question No. 390 for answer on 23.8.2005 regarding Tea Growers.

(b) & (c): Green leaf price declined in July 2005 in all the tea growing regions as compared to previous months. This drop in prices is partly attributed to inferior quality of the tea leaves plucked and profusion in growth of green leaf leading to excess supplies to processing factories. In North Bengal, due to an industry-wide strike from 11-25 July 2005, the green leaf which used to be sent to Estates` Factories was diverted to private Bought Leaf Factories (BLFs). Therefore, the availability of green leaf with the Bought Leaf Factories (BLFs) was far in excess of their normal intake. The strike in West Bengal was due to breakdown in the wage negotiations with the Producers` Associations. A memorandum of settlement has been signed on 25.7.2005 between the Workers` Unions and the Employers` Associations and the strike has been called off.

The steps taken to help the small tea growers include a price sharing formula notified under Tea Marketing Control Order 2003 w.e.f. 1.4.2004, implementation of a price subsidy scheme for a four month period in 2004 and various development schemes implemented by the Tea Board for enhancing productivity, quality and marketability of tea under 10th Five Year plan.

(d) & (e): There is no proposal to grant price subsidy at present. Introduction of any price subsidy scheme may not bring the desired relief to the small growers unless the basic malady of coarse plucking by the growers and the reprocessing in the factories is suitably addressed. There are quality norms under the PFA Act which are required to be met by tea producers and proper compliance with such norms by factories is necessary. Tea Board has taken up a number of quality awareness campaigns among the growers and also manufacturers as to the usefulness of adopting good agriculture practices in the field and also manufacturing practices in the factory.

Statement referred to in reply to part (a) of the Lok Sabha Starred Question No. 390 due for answer on 23.8.2005 regarding Tea Growers.

The State wise details of tea leaves processing plants functioning in the country.

State	No. of factories
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West Bengal 355
Tamil Nadu 328
Kerala 119
Karnataka 11
Himachal Pradesh 27
Tripura 30
Sikkim 1
Uttranchal 4
Arunachal 12
Orissa 1
Nagaland 1
Meghalaya 1
Bihar 2

Total 1577#

= Includes 14 Instant tea factories.